

**Cannabis Control Authority
Board of Directors Meeting**

MINUTES

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November 30, 2022

1:00 PM – 3:00 PM

Commissioner's Conference Room (Basement)

Virginia Workers' Compensation Commission

333 E. Franklin St.

Richmond, VA 23219

MEMBERS PRESENT: John Keohane, Chair
Neil Amin, Vice-Chair
Michael Jerome Massie
Bette Brand

LEGAL COUNSEL: Donald Ferguson, Office of the Attorney General

PRESENTERS: Rebekah Stefanski, Virginia Conflict of Interest and Ethics
Advisory Council
Jeremy Preiss, Cannabis Control Authority
Manuel Liban, Cannabis Control Authority
Shawn Casey, Cannabis Control Authority
Kayla Soltis, Cannabis Control Authority

1. CALL TO ORDER

Mr. Keohane called the meeting to order at 1:00 PM.

2. DETERMINATION OF A QUORUM

Mr. Keohane determined that, with four members present in person, the Board had a quorum.

3. APPROVAL OF THE AGENDA

Upon motion by Ms. Brand, and duly seconded by Mr. Massie, the members unanimously voted to approve the meeting's agenda.

4. APPROVAL OF PREVIOUS MEETING'S MINUTES

Upon a motion by Ms. Brand, and duly seconded by Mr. Amin, the members unanimously voted to approve the draft minutes from the October 6, 2022, Board meeting.

5. ETHICS & CONFLICTS OF INTEREST PRESENTATION

5.a. Presentation – Rebekah Stefanski, Senior Attorney, Virginia Conflict of Interest and Ethics Advisory Council

Ms. Stefanski from the Virginia Conflict of Interest and Ethics Advisory Council ("Council") gave a presentation on the statutory disclosure requirements as well as the role of the Council in assisting Virginia stakeholders with ethics and conflicts of interest questions. The Council offers both formal and informal guidance, and it recommends that unless an ethical question has broad application, inquirers should first consider requesting informal guidance as that process is expedited, confidential, and not subject to FOIA requests. Informal guidance is protected from disclosure so long as the guidance sought is submitted in the form of a written request, the response is received in written form, and the recipient of the guidance follows it to the best of their ability.

Ms. Stefanski reminded the CCA Board that thought it is not required to submit disclosure forms because it is an independent authority, Board members and staff are still subject to other conflicts of interest requirements. These include specific types of prohibited conduct and restrictions on personal interests. She also recommended that anyone who may have a question about conflict of interest laws could attend a Council virtual training, use the available Council resources on the Council website, or reach out to a staff member of the council.

5.b. Obligations Unique to CCA

Following the broader conflict of interest and ethics presentation, Ms. Casey presented on the specific restrictions imposed on the CCA by the Cannabis Control Act . Board members and employees cannot have a financial interest in a marijuana licensee or applicant for a license. The Cannabis Control Act also prohibits Board members, the CEO, and spouses of either the CEO or Board members from making any contributions to a candidate for office or officeholder at the state or local level.

6. CANNABIS CONTROL AUTHORITY ANNUAL REPORT

Mr. Preiss then presented on the CCA's draft annual report. The report is statutorily mandated and has a required submission date of December 15. Mr. Preiss pointed out that while the code mandates updates on retail marijuana licensing processes and related funding, retail marijuana licenses are not currently being issued in Virginia. Instead, the draft report focuses on the activity of the CCA over the past year, including the hiring of the CCA's first staff members, fiscal activities, outreach efforts, educational initiatives, and the CCA's safe driving campaign. Mr. Preiss indicated that the CCA will share the report with the Governor's office as well as the Office of the Secretary of Public Safety and Homeland Security and members of the General Assembly's Cannabis Oversight Commission by the December 15 deadline. Ms. Brand motioned to approve the annual report, with small changes in formatting and wording by staff if needed. Mr. Amin seconded, and the Board approved the motion.

7. UPDATE ON WEBSITE DEVELOPMENT, INCLUDING DEMONSTRATION

Mr. Liban presented on the CCA's new website. Mr. Liban detailed the process of the website's creation, which began in early 2022 with stakeholder interviews and assessment of other state websites, and the work to establish the CCA's brand, identity, voice, and goals. Mr. Liban then

gave a tour of the website. The website includes pages about the CCA’s educational resources on public health and public safety, relevant laws and regulations, and the CCA’s calendar of events. There is also contact information for the CCA and information about the CCA Board, the Cannabis Public Health Advisory Council, and the Cannabis Equity Reinvestment Board. The website also includes a Frequently Asked Questions page, which has been retained from the previous website and has proven an important tool in educating Virginians on the state of cannabis. Mr. Liban noted that the launch of the website is an important milestone for the CCA and allows people to connect with the Authority. According to Mr. Liban, long-term goals for the website include metrics and performance, an active and robust news section, engagement, and strengthen the CCA brand and voice further. The website is also part of the CCA’s integrated communications plan and is a major component of CCA plans to engage and educate Virginia’s youth.

8. UPDATE ON HEMP TASK FORCE

Ms. Soltis presented a recap of the recently concluded task force to assess the adequacy of current regulations for industrial hemp extracts and other substances containing THC (“Task Force”). The General Assembly directed the Secretary of Agriculture and Forestry to assemble and lead the Task Force through a budget amendment adopted during the 2022 legislative session. The CCA participated in the Task Force and attended the three meetings held in July, August, and November. The Office of the Secretary of Agriculture and Forestry produced a final report that made a number of recommendations, including creating a coordinated cannabis regulation and enforcement system and determining a product’s legality based on its total THC concentration. Mr. Preiss elaborated that legislation addressing the task force recommendations is likely in the upcoming 2023 legislative session, and additional updates may be reported at future Board meetings.

9. BOARD MEETINGS

9.a. Electronic Meeting Policy

Ms. Casey presented a proposed updated CCA Board electronic meeting policy, which is a response to recent legislative amendments that allow for electronic participation of Board members under certain circumstances, even in the absence of a declared state of emergency. Consistent with statutory changes, the updated policy also indicates the Board can hold all-virtual meetings so long as the total number of all-virtual meetings does not exceed 25% of the meetings the Board holds annually and the Board does not hold two consecutive all-virtual meetings. Ms. Brand motioned to update the electronic meeting policy as written, Mr. Amin seconded, and the motion passed.

9.b. Non-Richmond Board Meetings

Mr. Preiss provided additional information on how the Board could utilize the updated electronic meeting policy to explore the possibility of holding CCA Board meetings in areas of the Commonwealth outside Richmond. Board meetings held outside of Richmond could be helpful in advancing the CCA’s mission of clarifying the current state of cannabis laws in the Commonwealth and allowing for in-person participation by citizens who may not otherwise be

able to attend Board meetings held in Richmond. Mr. Keohane remarked that such meetings could help the CCA serve as an educational resource. Mr. Massie suggested that Board meetings held outside of Richmond could be tied to future town hall events or informational sessions. Ms. Brand suggested that a staff person or one of the Board members should participate virtually in a Board meeting to test virtual capabilities and performance generally; she noted these issues would assume larger importance for Board meetings held outside of Richmond.

10. INTRODUCTIONS- NEW CCA STAFF

Mr. Preiss made a brief announcement that Jamie Patten has joined the CCA as Chief Administrative Officer, but due to a family emergency she could not attend the Board meeting. Ms. Patten will be formally introduced at a later Board meeting.

11. FINANCE AND BUDGET UPDATE

Mr. Preiss indicated the Board could expect a more comprehensive finance and budget update at the January Board meeting when Ms. Patten will be in attendance. He commented that the CCA is in the process of incurring additional expenses due to increased staffing and advancement of the safe driving campaign, both of which are signs of progress and growth for the CCA.

12. PUBLIC COMMENT PERIOD

Mr. Keohane then opened the meeting for public comment. Ms. Jennifer Price identified herself as a community member and parent who has concerns with the regulation of THC products and the ability of the Commonwealth to keep product sales limited to people over age 21. Specifically, Ms. Price is troubled by the proliferation of THC products in vape shops and reports of underage use of those products. Ms. Price mentioned that her children are finding it difficult to connect with peers who do not use THC and that many students who would like to remain non-users are struggling to resist peer pressure due to the availability of product. Ms. Casey thanked Ms. Price for her comment and clarified that many of the products Ms. Price is referring to are likely hemp-derived products. Mr. Preiss added that products such as these are the result of the 2018 Farm Bill and pointed out that regulated adult-use retail marijuana markets in other states specifically regulate Delta-9 THC products, and the CCA currently does not regulate products containing Delta-8 THC, Delta-10 THC, THC-O and other cannabinoids. Mr. Preiss also noted that it is currently illegal to sell these products to minors and that enforcement of this prohibition is in its early stages. He also stated that the products are not as strictly regulated as retail marijuana products are in regulated markets. Finally, Mr. Preiss indicated the Hemp Task Force was established to address these issues and that there may be legislation that tightens regulation of these products in the next session of the General Assembly.

Dr. Mary Crozier, a substance abuse prevention expert, made a public comment regarding her concerns that emerging research and literature is not consumed by the general public and there is a lack of knowledge of the risks of marijuana consumption. Dr. Crozier also commented she is concerned for lack of funding for substance abuse prevention. Dr. Crozier mentioned she is concerned the Virginia Beach area will become a marijuana tourist destination and hopes there will be additional regulation limiting cannabis businesses that are proximate to faith-based

organizations or K-12 schools. Dr. Crozier also advocated for banning all Delta-8 THC products in the upcoming legislative session and lowering THC levels in marijuana.

Mark Topazio then made a public comment stating that he is a community member who is grateful for his ability to personally consume cannabis and is satisfied with the allowance for home cultivation. Mr. Topazio noted his committed to comply with the law on cultivation and appreciates the Board's efforts to move forward cannabis regulation in the Commonwealth.

13. CLOSED SESSION

At 2:33 PM, Mr. Keohane moved that the Board enter closed session under the Virginia Freedom of Information Act to discuss matters lawfully exempted from open meeting requirements under Virginia Code section 2.2-3711(A)(1). The motion was duly seconded, and the members unanimously voted to enter closed session. Attending the closed session were the four Board Members present.

Upon the Board's return from closed session at 3:30 PM, Mr. Keohane moved to certify that to the best of his knowledge only matters falling under section 2.2-3711(A)(1) were discussed in the closed session. The motion was approved unanimously.

14. ADJOURNMENT

The Board adjourned at 3:30 PM.